



**REPORT OF THE AUDITOR OF PUBLIC ACCOUNTS
AUDIT EXAMINATION OF THE
ROBERTSON COUNTY
SHERIFF'S SETTLEMENT – 1998 TAXES**

April 16, 1999

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Edward B. Hatchett, Jr.
Auditor of Public Accounts

To the People of Kentucky

Honorable Paul E. Patton, Governor

John P. McCarty, Secretary

Finance and Administration Cabinet

Mike Haydon, Secretary, Revenue Cabinet

Honorable Bradley Gifford, Robertson County Judge/Executive

Honorable Randy Insko, Robertson County Sheriff

Members of the Robertson County Fiscal Court

The enclosed report prepared by Donna Bouvier, Certified Public Accountant, presents the Robertson County Sheriff's Settlement – 1998 Taxes.

We engaged Donna Bouvier, CPA, to perform the financial audit of this statement. We worked closely with the firm during our report review process; the resulting audit comports with our reporting format. As part of the audit, Donna Bouvier, CPA, evaluated the Robertson County Sheriff's internal controls and compliance with applicable laws and regulations.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Ed Hatchett".

Edward B. Hatchett, Jr.
Auditor of Public Accounts

Enclosure

AUDIT REPORT OF
ROBERTSON COUNTY
SHERIFF'S SETTLEMENT-1998 TAXES

April 16, 1999

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Independent Auditor's Report

I have audited the Robertson County Sheriff's Settlement-1998 Taxes as of April 16, 1999. This tax settlement is the responsibility of the Robertson County Sheriff. My responsibility is to express an opinion on this financial statement based on my audit.

I conducted my audit in accordance with generally accepted government auditing standards, Government Auditing Standards issued by the Comptroller General of the United States, and the Audit Guide for Sheriff's Tax Settlements issued by the Auditor of Public Accounts, Commonwealth of Kentucky. These standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

The Sheriff prepares his financial statement on a prescribed basis of accounting that demonstrates compliance with the cash basis and laws of Kentucky, which is a comprehensive basis of accounting other than generally accepted accounting principles. This cash basis system does not require the maintenance of a general fixed asset group or general long-term debt group of accounts. Accordingly, the accompanying financial statement is not intended to present financial position and results of operations in conformity with generally accepted accounting principles.

In my opinion, the accompanying financial statement referred to above presents fairly, in all material respects, the Robertson County Sheriff's taxes charged, credited, and paid as of April 16, 1999, in conformity with the basis of accounting described in the preceding paragraph.

To the People of Kentucky
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(Continued)

My audit was made for the purpose of forming an opinion on the financial statement taken as a whole. The schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the financial statement. Such information has been subjected to auditing procedures applied in the audit of the financial statement and, in my opinion, is fairly presented in all material respects in relation to the financial statement taken as a whole. Based on the results of my audit, I have presented a comment and recommendation, included herein, which discusses the following area of noncompliance.

- Sheriff Should Eliminate \$3,174 Deficit In Tax Account.

In accordance with Government Auditing Standards, I have also issued a report dated November 17, 1999, on my consideration of the Robertson County Sheriff's internal control structure and compliance with laws and regulations.

Donna Bouvier
Certified Public Accountant

November 17, 1999

ROBERTSON COUNTY
RANDY INSKO, SHERIFF
SHERIFF'S SETTLEMENT - 1998 TAXES

April 16, 1999

	County	Special	School	State
	Taxes	Taxing	Taxes	Taxes
		Districts		
<u>Charges</u>				
Real Estate	\$ 45,076	\$ 56,345	\$ 147,588	\$ 55,618
Tangible Personal Property	1,459	1,929	5,105	3,220
Intangible Personal Property	-	-	-	715
Franchise Corporation	14,863	19,451	51,405	-
Penalties	517	650	1,704	696
Adjusted to Sheriff's Receipt	(16)	(23)	(53)	1
Gross Chargeable to Sheriff	\$ 61,899	\$ 78,352	\$ 205,749	\$ 60,250
<u>Credits</u>				
Discounts	\$ 526	\$ 658	\$ 1,725	\$ 674
Exonerations	187	234	614	231
Delinquents:				
Real Estate	604	755	1,977	745
Total Credits	\$ 1,317	\$ 1,647	\$ 4,316	\$ 1,650
Net Tax Yield	\$ 60,582	\$ 76,705	\$ 201,433	\$ 58,600
Less: Commissions*	3,150	3,260	8,057	3,065
Net Taxes Due	\$ 57,432	\$ 73,445	\$ 193,376	\$ 55,535
Taxes Paid	54,269	73,473	193,438	55,557
Due Districts or (Refunds) Due				
Sheriff as of Completion of Fieldwork	\$ 3,163	\$ (28)	\$ (62)	\$ (22)
		**		

* and ** See Page 4

ROBERTSON COUNTY
RANDY INSKO, SHERIFF
SHERIFF'S SETTLEMENT - 1998 TAXES
April 16, 1999
(Continued)

* Commissions

10% on \$ 20,000
4.25% on \$175,887
4.00% on \$201,433

** Special Tax Districts:

Library District	\$ (9)
Health District	(6)
Extension District	(6)
Soil Conservation District	<u>(7)</u>

Refunds Due Sheriff	\$ (28)
	=====

The accompanying notes are an integral part of the financial statement.

NOTES TO FINANCIAL STATEMENT

ROBERTSON COUNTY
NOTES TO FINANCIAL STATEMENT

April 16, 1999

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Fund Accounting

The Sheriff's office tax collection duties are limited to acting as an agent for assessed property owners and taxing districts. A fund is used to account for the collection and distribution of taxes. A fund is a separate accounting entity with a self-balancing set of accounts. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

B. Basis of Accounting

The financial statement has been prepared on a cash basis of accounting. Basis of accounting refers to when charges, credits, and taxes paid are reported in the settlement statement. It relates to the timing of measurements regardless of the measurement focus.

Charges are a source of revenue which are recognized in the tax period in which they become available and measurable. Credits are reductions of revenue which are recognized when there is proper authorization. Taxes paid are uses of revenue which are recognized when distributions are made to the taxing districts and others.

C. Cash and Investments

At the direction of the fiscal court, Kentucky Revised Statute 66.480 authorizes the Sheriff's office to invest in the following, including but not limited to, obligations of the United States and of its agencies and instrumentalities, obligations and contracts for future delivery or purchase of obligations backed by the full faith and credit of the United States, obligations of any corporation of the United States government, bonds or certificates of indebtedness of this state, and certificates of deposit issued by or other interest-bearing accounts of any bank or savings and loan institution which are insured by the Federal Deposit Insurance Corporation (FDIC) or which are collateralized, to the extent uninsured, by any obligation permitted by KRS 41.240(4).

ROBERTSON COUNTY
NOTES TO FINANCIAL STATEMENT
April 16, 1999
(Continued)

NOTE 2: DEPOSITS

The Sheriff maintains deposits with depository institutions insured by the Federal Deposit Insurance Corporation (FDIC). According to law, the depository institution should pledge or provide sufficient collateral which, together with FDIC insurance, equals or exceeds the amount on deposit at all times. In order to be valid against the FDIC in the event of failure or insolvency of the depository institution, this pledge or provision of collateral should be evidenced by an agreement that is (a) in writing, (b) approved by the board of directors of the depository institution or its loan committee, which approval must be reflected in the minutes of the board or committee, and (c) an official record of the depository institution. The Sheriff met requirements stated above, and as of April 16, 1999, deposits were fully insured or collateralized at a 100% level with collateral held by the county official's agent in the county official's name.

NOTE 3: PROPERTY TAXES

The real and personal property tax assessments are levied as of January 1, 1998. Property taxes are billed to finance governmental services for the year ended June 30, 1999. Liens are effective when the tax bills become delinquent. The collection period for these assessments was October 1, 1998, through March 27, 1999.

ROBERTSON COUNTY
RANDY INSKO, SHERIFF
SCHEDULE OF EXCESS OF LIABILITIES OVER ASSETS

April 16, 1999

<u>Assets</u>				
Cash in Bank			\$ 3,027	
Deposits in Transit			370	
Total Assets			\$ 3,397	
<u>Liabilities and Outstanding Checks</u>				
Outstanding Checks	\$ 3,389			
Liabilities:				
Other Taxing Districts-				
Due to Robertson County Fiscal Court	3,182			
Total Liabilities and Outstanding Checks			6,571	
Total Fund Balance-Surplus or (Deficit)			\$ (3,174)	

ROBERTSON COUNTY
RANDY INSKO, SHERIFF
COMMENT AND RECOMMENDATION

April 16, 1999

STATE LAWS AND REGULATIONS:

The Sheriff Should Eliminate \$3,174 Deficit In Tax Account.

On February 10, 1999, a check was written to Robertson County fiscal court in the amount of \$3,182. This check was never received by the fiscal court and there was not sufficient funds in the Sheriff's tax account to cover this payment. A deficit of \$3,174 existed at year end. I recommend that the Sheriff deposit personal funds of \$3,174 and pay fiscal court the amount due from January tax collections.

Management's Response:

Sheriff deposited personal funds on November 22, 1999, in the amount of \$3,182 and paid the County for amount due for January tax collections of \$3,182.

REPORT ON COMPLIANCE
AND ON INTERNAL CONTROL OVER FINANCIAL
REPORTING BASED ON AN AUDIT OF THE FINANCIAL STATEMENT
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Honorable Bradley Gifford, County Judge/Executive
Honorable Randy Insko, Robertson County Sheriff
Members of the Robertson County Fiscal Court

Report On Compliance And On Internal Control
Over Financial Reporting Based On An Audit Of The Financial
Statement Performed In Accordance With Government Auditing Standards

I have audited the Robertson County Sheriff's Settlement-1998 Taxes as of April 16, 1999, and have issued my report thereon dated November 17, 1999. I conducted my audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Robertson County Sheriff's Settlement-1998 Taxes as of April 16, 1999, is free of material misstatement, I performed tests of its compliance with certain provisions of laws and regulations, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed an instance of noncompliance that is required to be reported under Government Auditing Standards which is described in the accompanying comment and recommendation.

- The Sheriff Has A \$3,174 Deficit In His Official Tax Account.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered the Robertson County Sheriff's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statement and not to provide assurance on the internal control over financial reporting. My consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of

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Financial Reporting Based On An Audit Of The Financial
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(Continued)

the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statement being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. I noted no matters involving the internal control over financial reporting and its operation that I consider to be material weaknesses.

This report is intended for the information of management. However, this report, upon release by the Auditor of Public Accounts, is a matter of public record and its distribution is not limited.

Respectfully submitted,

Donna Bouvier
Certified Public Accountant

November 17, 1999